# GOVERNMENT OF INDIA
# COAL
# LOK SABHA

UNSTARRED QUESTION NO:3463
ANSWERED ON:14.08.2001
FIXATION OF PRICE OF COAL BY SUBSIDIARIES OF CIL
SUBODH MOHITE

**Will the Minister of COAL be pleased to state:**

(a) whether the Government have reviewed the outcome of inter-subsidiary competition to be followed by coal companies due to autonomy for fix price of its production;

(b) if so, the details thereof ; and

(c) the steps taken to overcome the problems of this competition?

## Answer

MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) &(b) : After deregulation of pricing, the prices of same grades of coal vary among various subsidiaries of Coal India Limited. However, there is not much scope for inter- company competition despite the price differentials because the grades of coal consumed and the geographical locations of the market segments being served by various subsidiary companies of CIL follow, more and less, an established pattern and besides price, the freight element has a major share in the overall cost incurred by a consumer. The inter-subsidiary price differentials in basic prices of coal alone are not the determining factor for competitiveness.

(c) : Does not arise in view of answer given to parts (a) & (b) of the question.